

Memorandum to the File  
Case Closure

Alleged Preferential Treatment and Misuse of Funds  
VA Pacific Islands Health Care System, Honolulu, HI  
(2014-03837-1Q-0124)

The VA Office of Inspector General (OIG) Administrative Investigations Division investigated an allegation that Mr. (b) (7)(C) engaged in preferential treatment when he established a new (b) (7)(C) position to allow Dr. (b) (7)(C) to relocate from (b) (7)(C), to Honolulu, HI. We also investigated an allegation that Mr. (b) (7) misused Government resources when he improperly authorized about \$250,000 in relocation expenses to move Dr. (b) (7) and his family to Honolulu. To assess these allegations, we interviewed Mr. (b) (7) and Dr. (b) (7) and reviewed Dr. (b) (7)(C) permanent change of station (PCS) records. We also reviewed personnel records, applicable Federal laws, regulations, and VA policy.

Standards of Ethical Conduct for Employees of the Executive Branch state that employees shall not use public office for private gain, shall act impartially and not give preferential treatment to any individual, and avoid any actions creating the appearance that they are violating the law or ethical standards. 5 CFR § 2635.101(b)(7),(8) & (14). Federal travel regulations state that an employee transferring in the interest of the Government from one duty station to another for permanent duty, and the duty station is at least 50 miles distance from the old duty station, is eligible for relocation expense allowances. 41 CFR § 302-1.1(b)

Personnel records reflected and Mr. (b) (7) told us that he began his VA employment in (b) (7) and assumed his current position in October (b) (7). He said that he previously served as the (b) (7)(C), and that while there, he established an (b) (7)(C) position as a means to improve customer service and provide coaching/mentoring to medical center employees. To accomplish this, he said that in October (b) (7) he developed the position functional duties, worked with human resources (HR), spoke with his Associate Director, Chief of Staff, and Associate Director for Patient Care Services about the need for the position, and told his Veterans Integrated Service Network (VISN) Director, Mr. John Dandridge, what he was trying to accomplish. Mr. (b) (7) said that the medical center then advertised the position in January (b) (7) and he first met Dr. (b) (7) when he interviewed him as an applicant for the position in February (b) (7).

The (b) (7) position description reflected that the incumbent was an (b) (7)(C) who was recognized as an expert in the development, implementation, application, and evaluation of systems in the areas of leadership development, organizational development, employee development, work climate, learning, succession planning, workplace assessment, strategic HR management, and healthy communities. It further reflected that the incumbent offered process

consultation, task facilitation, action inquiry, coaching, mentoring, conflict resolution, team building, and management consultation to clinical and administrative units of the medical center directed at improving organizational culture, performance, and health.

Mr. (b) (7) told us that as the (b) (7)(C), he faced a number of workplace issues that he felt an (b) (7) could help resolve, which led him to also establish an (b) (7) position at the medical center in Honolulu. He said that to accomplish this, he went through the same process as when he was in (b) (7)(C) to include discussing the position with the Associate Director, Chief of Staff, and Associate Director for Patient Care Services, as well as the VISN Director, Ms. Sheila Cullen, who thought it was an "excellent idea." Mr. (b) (7) said that at the medical center in (b) (7)(C) Dr. (b) (7) improved organizational conflict, and his work helped the medical center win a Carey Performance Excellence Award—award to recognize organizations within VA that have implemented management approaches that result in sustained high levels of performance and service to veterans. Mr. (b) (7) told us that based on Dr. (b) (7)(C) involvement with national VA programs, other VISN Directors asked to also create similar positions within their networks.

Recruitment records, dated October (b) (7) reflected that the (b) (7)(C) vacancy announcement was open to all United States citizens and that relocation expenses were authorized. The certificate of eligibles referred to Mr. (b) (7) contained the names of six candidates, to which Dr. (b) (7) was the only candidate with experience as an ODP. Mr. (b) (7) told us that the first time he was aware of Mr. (b) (7) applying for the position was when he received the certificate and saw his name. The certificate reflected only one other candidate with VA experience, although less than a year, and outside the scope of the experience sought for the position. Recruitment records further reflected that Dr. (b) (7) applied, competed, and was selected for the position. Mr. (b) (7) told us that he did not interview the candidates, and that although all candidates were eligible, Dr. (b) (7) was the only one with experience directly related to the position.

Dr. (b) (7) told us that he was initially hesitant to apply for the position, due to a number of factors, to include being so far away from his extended family, the significantly higher cost of living at the same pay grade, and uncertain employment prospects for his wife in Hawaii. Mr. (b) (7) said that after selecting Dr. (b) (7) he discussed with him the hardships that came with living on an island so that he could make a fully informed decision as to whether he would or would not accept the position. Personnel records reflected that Dr. (b) (7) did not receive any relocation incentives and the total cost for his PCS was \$63,405.65, significantly less than the \$250,000 claimed in the allegation.

### *Conclusion*

We did not substantiate that Mr. (b) (7) engaged in preferential treatment when he selected Dr. (b) (7) for the (b) (7) position. Recruitment records reflected that the position was advertised, to include relocation expenses, and that Dr. (b) (7) applied, competed, and was selected. We also did not find that Mr. (b) (7) misused Government resources when he authorized funds to relocate Dr. (b) (7) as Federal travel regulations provide

for a permanent change of station when an employee moves from one duty station to another. We therefore are closing these allegations without issuing a formal report or memorandum.

Prepared by: (b) (7)(C) \_\_\_\_\_

10/1/14  
Date

Approved: \_\_\_\_\_

10/1/14  
Date